



The Micronesia Challenge Sustainable Financing

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2016 US CORAL REEF TASK FORCE MEETING
GUAM

Financing the MC

Government Budgets

Development Partners' Technical and Financial Contributions

Micronesia Conservation Trust Grants

MC Endowment Fund

Protected Areas Network Funds

Conservation Easements

Revolving Funds

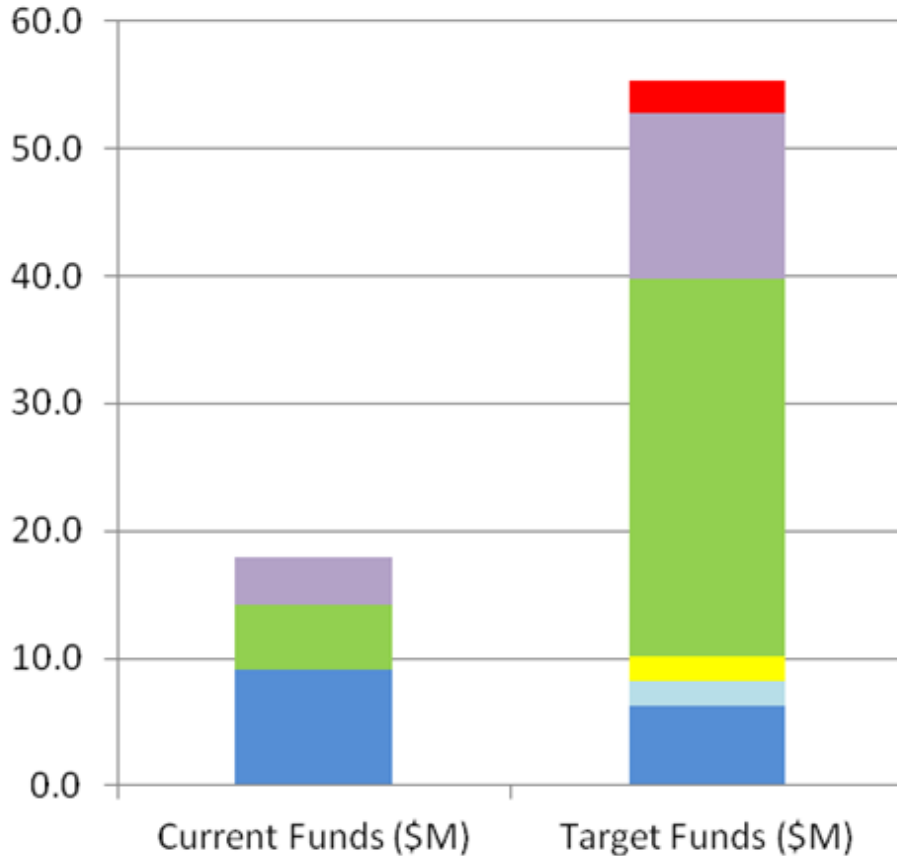
Payment for Ecosystem Services

The Micronesia Challenge (MC) Sustainable Finance Plan represents the projected costs and funding plans to effectively conserve at least 30% of the near-shore marine and 20% of the terrestrial resources across Micronesia by 2020. All told, the MC's conservation efforts are expected to cost approximately \$21 million a year. The MC's five jurisdictions have identified more than \$11 million a year in available funds, plus additional potential funds and non-endowment funds that reduces the gap to \$2.6M a year. This gap could be addressed by a \$55M endowment that issues a 5% annual disbursement.

| Jurisdictions | Recurrent Costs | Available Funds | Funding Shortfall | Potential Funds | Funding Gap | Non-Endowment Funds | Remaining Gap | Target MC Endowment |
|---------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|------------------|---------------------|
| MCRO | 201,201 | 50,000 | 151,201 | - | 151,201 | 25,000 | 126,201 | 2,524,012 |
| CNMI | 3,437,218 | 1,967,010 | 1,470,208 | 6,000,000 | - | - | - | 2,000,000 |
| Guam | 8,511,990 | 5,261,023 | 3,250,967 | 20,528,330 | - | - | - | 2,000,000 |
| Palau | 3,219,594 | 2,234,451 | 985,144 | 451,500 | 533,644 | 223,200 | 310,444 | 6,208,871 |
| RMI | 1,853,539 | 563,336 | 1,290,202 | 532,000 | 758,202 | 110,000 | 648,202 | 12,964,045 |
| FSM | 3,794,809 | 962,975 | 2,831,834 | 1,079,486 | 1,752,348 | 273,341 | 1,479,007 | 29,580,130 |
| Chuuk | 1,357,282 | 197,137 | 1,160,145 | 354,261 | 805,885 | 127,085 | 678,800 | 13,575,995 |
| Kosrae | 485,193 | 76,499 | 408,694 | 160,041 | 248,653 | 61,656 | 186,997 | 3,739,931 |
| Pohnpei | 1,299,344 | 572,171 | 727,173 | 265,395 | 461,778 | 13,500 | 448,278 | 8,965,565 |
| Yap | 652,990 | 117,168 | 535,822 | 299,790 | 236,032 | 71,100 | 164,932 | 3,298,640 |
| Total | 21,018,351 | 11,038,794 | 9,979,556 | 28,591,316 | 3,195,394 | 631,541 | 2,563,853 | 55,277,058 |

Endowment Status

Currently around \$18M with the goal of \$56M



- FSM: \$4,776,846.12 (\$24.5M)
- RMI: \$3,544,280.53 (\$9.3M)
- Palau: \$8,730,045.77 (\$1.7M)
- Guam: (\$2M)
- CNMI: \$1,000 (\$2M)
- Yela - \$509,159.98
- MCT - \$745,557.03
- Bill Raynor MC Scholarship Fund - \$50,000 (\$1.5M)

Considering funds already raised and the interest that are accruing on funds to the endowment, as well as the establishment of the national PAN Funds and other SFP mechanisms the fundraising requirements for the MC endowment will total about \$25M over the next 10 years.

Potential Innovative Solution

Debt for Nature Swaps – Each of the telecom corporations in the RMI, FSM and ROP have outstanding loans to the USDA – Rural Utilities Service of around \$20M each. If these debts can be swapped, this can help all of them meet their endowment goals.



Micronesia
Challenge

www.micronesiachallenge.org

a shared commitment
to conserve at least 30% of the near-shore marine resources
and 20% of the terrestrial resources across Micronesia by 2020.

Kalahngan
Kammagar
Hasachigchig

Thank You!

Kulo Mulalap
Kinisou chapur
Olomwaay

Questions? Contact MC regional coordinator Rachael Nash at micronesiachallengecoordinator@gmail.com